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ENROLLED BILL ANALYSIS

Bill Number: House Bill 4061 (H-2 with amendments)
Topic: Allow sampling and consumption of home-brewed beers on the premises of licensed brew pubs for micro brewers
Sponsor: Representative Douglas Geiss
Co-Sponsors: None
Committee: House Committee on Regulatory Reform

Date Introduced: January 13, 2011

Date Enrolled: October 31, 2011

Date of Analysis: November 1, 2011

Position:

The Michigan Liquor Commission is neutral on this bill.

Problem/Background:

On December 1, 1997, Public Act 146 amended Section 207¹ to include beer, mead, and honey-based beer in addition to wine and cider in subsection (b) as exceptions to licensure under the act as long as it is made on the premises of the owner or lessee² and the beer, wine, mead, honey-based beer or cider is made for family use and home consumption. Additionally, since many people who make these products at home enjoy sharing them with family and friends, the legislation provided for a gift of home-brewed beer, wine, mead, or honey based beer up to 20 gallons.

The American Homebrewers Association (AHA) estimates that there are 750,000 Americans that make beer and wine at home and that there are over 1,000 home brew clubs registered with the AHA. It is asserted that home brewing clubs are continuing to grow and have as many as 50-70 members. Therefore, these clubs can no longer have meetings at their homes, basements, or garages. The AHA states that home brewers are passionate about crafting quality beer and love to share their beer and brewing knowledge with other home brewers. Two ways in which home brewers can improve

¹ MCL 436.1207, formerly MCL 436.4 prior to the recodification of the Liquor Control Act in 1998

² Subsection (b) further qualifies that the premises of the owner or lessee must be used and occupied by the owner or lessee as a dwelling.

their brewing skills are by getting feedback on their brews through home brew competitions and by sharing with fellow home brewers at home brew club meetings. This bill provides an exception to samplings and tastings prohibitions by providing that a brew pub, micro brewer, or on-premises licensee may allow the sampling and consumption on the licensed premises of beer, wine, mead, honey-based beer, or cider produced by one or more home brewers, or a club composed primarily of home brewers for the purpose of exhibitions or competitions involving home brewers.

Description of Bill:

This bill amends Section 1027 as amended by 2010 PA 213.

This section contains the general provisions for samplings or tastings of alcoholic liquor.

This bill adds new subsection 3 (d) which provides that a micro brewer, brew pub, or on-premises licensee may allow the sampling and consumption on its licensed premises of beer, wine, mead, honey-based beer, or cider produced by 1 or more home brewers at a meeting of home brewers, or a club composed primarily of home brewers under the following circumstances:

- The sampling or consumption is for the purpose of exhibitions or competitions involving home brewers.
- The beer, honey-based beer, or cider is served in portions not to exceed 3 ounces and the wine and mead is serviced in portions not to exceed 2 ounces.
- The beer, wine, mead, honey-based beer, or cider produced by the home brewer is only consumed by the home brewer, the home brewer's family, a club member, a judge, or a guest speaker and is not sold to members of the general public.
- The participants otherwise comply with applicable state and federal law and applicable regulatory provisions of this act and rules adopted by the Commission under this act.
- The participants in the sampling or consumption are not charged for the sampling of the beer, wine, mead, honey-based beer, or cider.

This bill adds new subsection (9) which provides that a micro brewer, brewpub, or on-premises licensee must enter into a written agreement with the home brewers or home brewers club that state the following:

- The date and time the event will be held.
- The location of the event.
- A statement detailing whether the micro brewer, brewpub, or on-premises licensee will assume dram shop liability under Section 801(3) for the event or the home brewers or home brewers club has provided proof that a bond or liability insurance of at least \$50,000 was obtained for the event.

This bill also adds subsection 10 (b) which defines "Home Brewer" as an individual who manufactures beer, wine, mead, honey-based beer, or cider at his or her dwelling.

Summary of Arguments

Pro:

Micro brewing clubs are growing throughout the country and there are now more than 1,000 homebrew clubs registered with the American Homebrewers Association with estimates of 750,000 Americans that make beer and wine at home. Homebrew clubs are growing so fast and getting so big that they can no longer have meetings in the homes, basements, or garages. Many are already meeting at businesses licensed for on-premises consumption. This bill would provide an opportunity for clubs to meet at restaurants, pubs, or any other on-premises licensed establishment and allow home brewers to learn more about beer, wine, brewing, and winemaking so that they can continue to improve their skills. This allows home brewers and homebrew clubs to continue to grow and provides an atmosphere to allow small businesses to grow.

Con:

Home brewed beer, wine, mead, honey-based beer or cider are unregulated and untested products, therefore, the alcohol content and ingredients used in making the product could potentially put the public at risk.

Fiscal/Economic Impact

This bill would have no fiscal impact on the department, state, or local government.

Any Other Pertinent Information:

Home brewers and homebrewer clubs support this bill.

Geoffrey E. Groff, homebrew hobbyist and member of the Kalamazoo Libation Organization of Brewers supports this bill.

Michigan Liquor Control is neutral on the bill.

Michigan Beer and Wine Wholesalers Association is neutral on the bill.

Michigan Licensed Beverage Association is neutral on the bill.

Administrative Rules Impact:

No impact.